

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL CONTRACT 340 (MC2017-169)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2017-262

**USPS NOTICE OF CHANGE IN PRICES PURSUANT TO
AMENDMENT TO PRIORITY MAIL CONTRACT 340**
(February 28, 2018)

The Postal Service hereby provides notice that prices under Priority Mail Contract 340, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Priority Mail Contract 340 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective two business days after the day that the Commission completes its review of this filing.

The Postal Service is also filing supporting financial documentation and a certified statement as required by 39 C.F.R. § 3015.5. The certified statement required by 39 C.F.R. § 3015.5(c)(2) is provided in Attachment B. A redacted version of the supporting financial documentation is included with this filing as a separate Excel file. The Postal Service's original application for non-public treatment in this docket is hereby incorporated by reference for the protection of these materials.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

Elizabeth A. Reed

475 L'Enfant Plaza, SW
Washington, D.C. 20260-1137
(202) 268-3179
Elizabeth.A.Reed@usps.gov
February 28, 2018

ATTACHMENT A

REDACTED AMENDMENT TO PRIORITY MAIL CONTRACT 340

**AMENDMENT #1
OF
SHIPPING SERVICES CONTRACT
BETWEEN
THE UNITED STATES POSTAL SERVICE
AND
[REDACTED]
REGARDING
PRIORITY MAIL SERVICE**

WHEREAS, the United States Postal Service ("the Postal Service") and [REDACTED] ("Customer") entered into a Shipping Services Contract regarding Priority Mail Contract 340/Docket No. CP2017-262, on July 24, 2017.

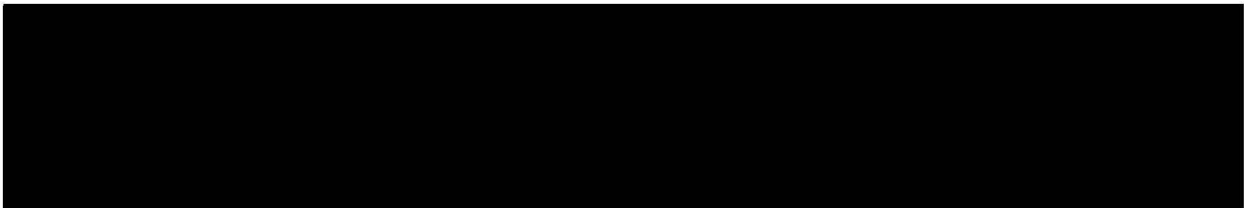
WHEREAS, the Parties desire to amend the terms in Section I.G. (including Table 1) and Section I.H. (including Tables 2 and 3) of the Contract.

NOW, THEREFORE, the Parties agree that the contract is hereby amended as detailed below. The existing contract remains unchanged in all other respects. This amendment shall become effective two (2) business days following the day on which the Commission issues all necessary regulatory approval.

[Replace Section I.G (including Table 1) and Section I.H. (including Tables 2 and 3) in their entirety, as follows.]

I. Terms

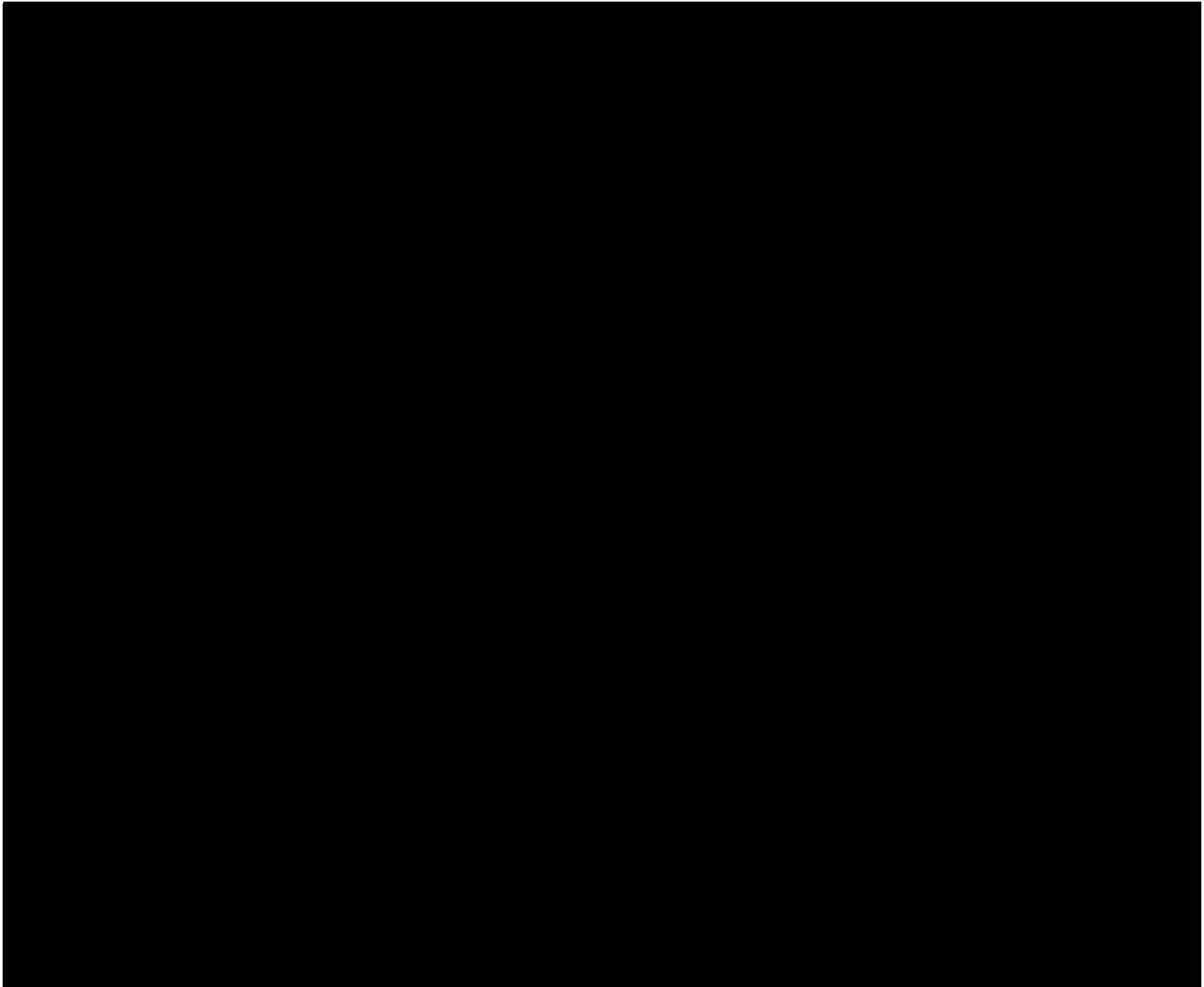
- G. Customized PPMOD Prices. Beginning with the effective date of this amendment, Customer shall pay the applicable prices shown in Table 1 below.

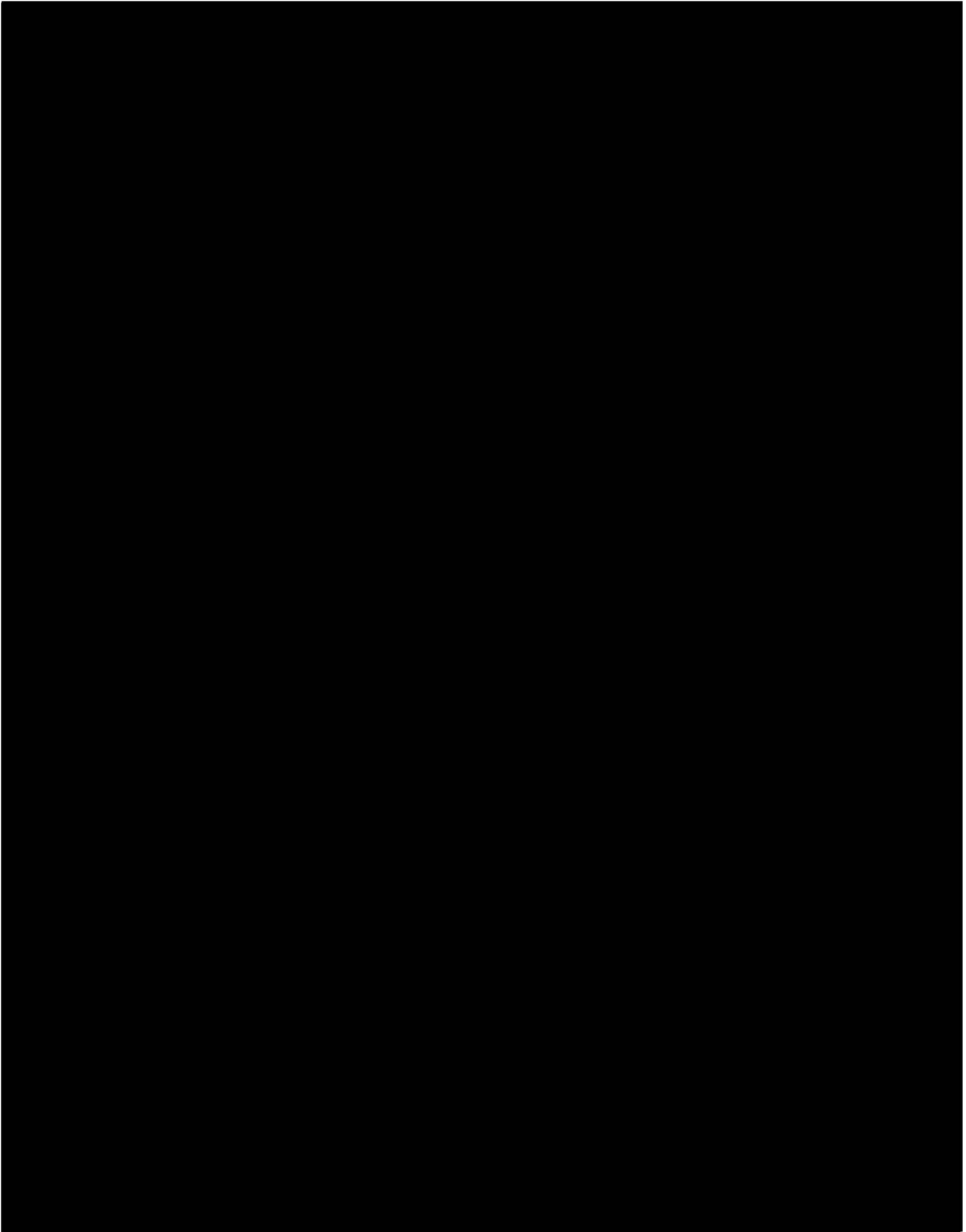


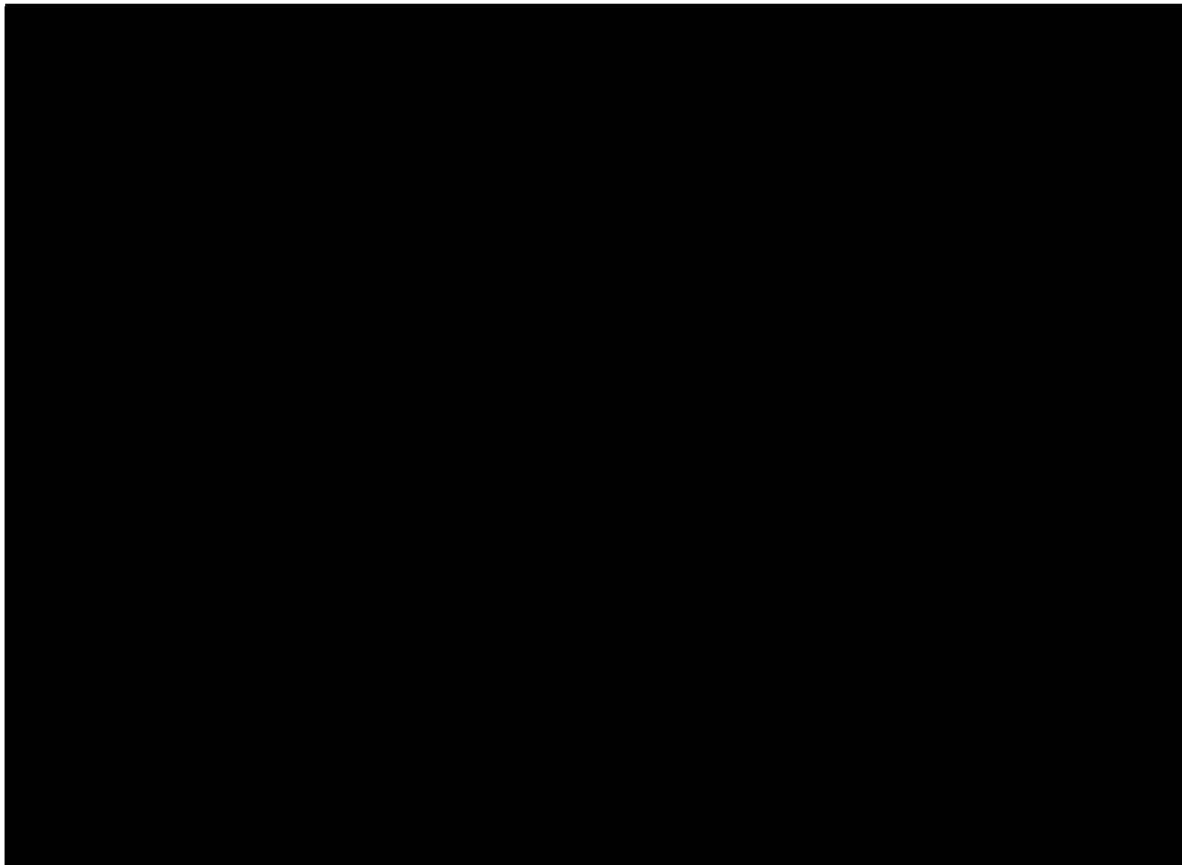
1. For subsequent Calendar Years of the Contract, beginning after January 1, 2019, customized PPMOD Prices under this contract will change on the date of the first increase in prices of general applicability, as calculated by the Postal Service, for Priority Mail Commercial Plus, in each Calendar Year. Prices will not increase more than once in any Calendar Year.. The previous year's prices will be changed by adding the average increase in prices of general

applicability, as calculated by the Postal Service, for Priority Mail Commercial Plus.

2. If the Postal Service maintains or decreases published prices of general applicability for Priority Mail Commercial Plus, there shall be no change to Contract pricing for that Calendar Year. Customized prices for subsequent years will be calculated by the Postal Service and rounded up to the nearest whole cent.
- H. Beginning with the effective date of this amendment, the Customer shall receive the discounts pursuant to Table 2 below off of the prevailing Priority Mail Commercial Plus prices, and the discounts pursuant to Table 3 below off of the prevailing Priority Mail Open and Distribute prices. The Postal Service will calculate the discounted prices and round up to the nearest whole cent.







IN WITNESS WHEREOF, the Parties hereto have caused this amendment to be duly executed
as of the later date below:

UNITED STATES POSTAL SERVICE

Signed by:

Cliff Rucker

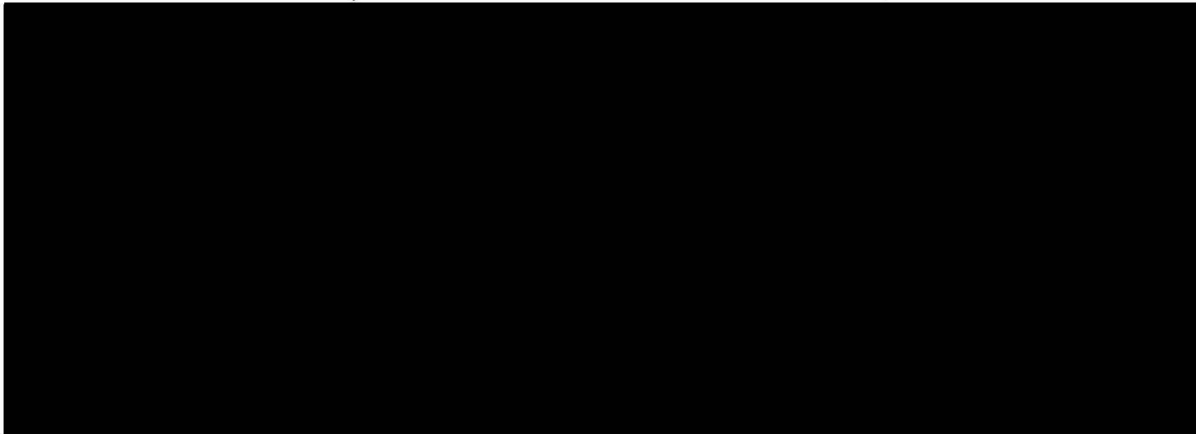
for

Printed Name: Cliff Rucker

Title: Senior Vice President, Sales and Customer Relations

Date:

2/14/18



ATTACHMENT B
SIGNED CERTIFICATION

Certification of Prices for Amendment to Priority Mail Contract 340

I, Steven R. Phelps, Manager, Regulatory Reporting and Cost Analysis, Finance Department, am familiar with the prices and terms for the amendment to Priority Mail Contract 340. The amended prices and terms contained in this Contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates (Governors' Decision No. 11-6).

I hereby certify, based on the financial analysis provided herewith, that the amended prices are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). They are expected to cover attributable costs. There should therefore be no subsidization of competitive products by market dominant products. The amended contract should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

**Steven
Phelps**

Digitally signed by Steven Phelps
DN: cn=Steven Phelps, o=Pricing
and Costing, ou=Pricing,
email=steven.r.phelps@usps.gov,
c=US
Date: 2018.02.28 13:01:03 -05'00'

Steven R. Phelps